(c) The foreign banks operating in India were required to advance at least 15 per cent of their net bank credit to priority sector upto 30th June, 1993. The target of priority sector advances for foreign banks has since been increased to 32 per cent to be achieved by them by March, 1994.

(d) During the last three years, the percentage of priority sector advances of foreign banks was as under:—

March, 1990	9.8%
March, 1991	9.4%
March, 1992	7.8%

(e) The provisions of the Banking Regulation Act and other Acts relating to banking transactions are equally applicable to foreign and Indian banks. The foreign banks operating in India undertake all kinds of banking business as undertaken by Indian banks.

SEBI Inspection of Stock Exchanges

1921. SHRI N.E. BALARAM: Will the Minister of FINANCE be pleased to state:

(a) what are the details of powers vested in Securities and Exchange Board of India (SEBI) to regulate the functioning of the stock exchanges;

(b) what are the details of specific directives/instructions issued by SEBI to the Stock Exchanges after enactment of SEBI Act to improve their functioning;

(c) whether SEBI has directed the Gauhati Stock Exchange to appoint an Executive Director and a Secretary; if so, whether this directive has been complied with; if not, what are the reasons therefor;

(d) what are the names of Stock Exchanges inspected by SEBI during the last two years and so far; in the current year month-wise details;

(e) the deficiencies and malpractices identified by SEBI in the said inspections; each Stock Exchange-wise details;

(f) the remedial measures taken to check such deficiencies and stop such malpractices; each Stock Exchange-wise details; and

(g) whether SEBI proposes to conduct inspection of Gauhati Stock Exchange during the current year; if so, by when and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Under the SEBI Act 1992, SEBI has the following main powers over the functioning of the Stock Exchanges:

(i) regulating the business in Stock Exchanges;

(ii) registering and regulating the working of, inter alia, stock brokers, sub-brokers, portfolio managers, and investment advisers;

(iii) prohibiting fraudulent and unfair trade practices realting to securities markets;

(iv) prohibiting insider trading in securities;

(v) calling for information from, undertaking inspection, conducting inquiries and audits of the stock exchanges and intermediaries and self-regulatory organisations in the securities market.

The SEBI Act has also made amendments to the Securities Contracts (Regulation) Act 1956 (SCR Act). Consequently, important powers such as those under Section 6 dealing with power to call for periodical returns or direct inquiries to be made and Sections 9 and 10 dealing with making or amending bye-laws of Stock Exchanges are vested with SEBI with effect from 21st February, 1992 i.e. the date of establishment of the Board. Further, Government issued a notification on 30th July, 1992 in exercise of the powers conferred by Section 29A of the SCR Act 1956, directing that the powers exercisable, by it under sub-section (5) of section 4, section 7, section 8, section 11, section 12 and section 16 of the said Act shall also be exercisable by the Securities and Exchange Board of India.

(b) to (g) Information is being collected and will be laid on the Table of the House.